

FISCAL NOTE

Bill #: SB0492

Title: Mining reclamation through RIT

Primary

Sponsor: Lorents Grosfield

Status: As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
-------------------	------	-----------------------------	------

Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
General Fund	\$463,000	\$462,000
State Special Revenue	(463,000)	(462,000)
Revenue:		
General Fund	\$0	\$0
State Special Revenue:		
Groundwater Assessment account	(\$95,800)	(\$97,200)
Reclamation & Dev. Grants account	(564,400)	(\$587,300)
Orphan Share account	597,500	\$625,000
Resource Indemnity Trust	295,400	\$297,700
Renewable Resource G&L account	(232,700)	(\$238,200)
Net Impact on General Fund Balance:	0	0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact	X		Technical Concerns
X	X	Included in the Executive Budget	X		Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. Section 12(1) requires that \$925,000 in authority for the biennium be moved from the reclamation and development account to the general fund, or Section 4 is void, which would affect most of the revenue changes. It is assumed that the \$925,000 (\$463,000 in FY2000, and \$462,000 in FY2001) will be appropriated in HB 2.

(continued)

2. The Montana Bureau of Mines and Geology currently has authority in the recommended Executive Budget to expend the full \$666,000 allocated to the ground water assessment account in the proposed Section 8. Since less revenue was estimated under current law, the bureau will spend an additional \$212,400 and \$212,200 in FY2000 and FY2001, respectively, with the proposed language.
3. The total Metal Mines License Tax collections are estimated at \$6,077,600 and \$5,786,200 in FY2000 and FY2001, respectively (HJR2).
4. The total Resource Indemnity Groundwater Assessment Tax (RIGWAT) collections are estimated at \$2,327,000 and \$2,382,000 in FY2000 and FY2001, respectively (HJR2).

FISCAL IMPACT:**MT Bureau of Mines**

[in Executive Budget]

Expenditures:

	<u>FY2000</u>	<u>FY2001</u>
	<u>Difference</u>	<u>Difference</u>
Operating Expenses	212,400	212,200

Funding:

General Fund (01)	\$463,000	\$462,000
State Special Revenue (02)		
Reclamation & Dev.	(463,000)	(462,000)
Ground Water Assessment	<u>212,400</u>	<u>212,200</u>
TOTAL	\$212,400	\$212,200

Revenues:

General Fund (01)	\$0	\$0
State Special Revenue (02)		
Groundwater Assessment account	(\$95,800)	(97,200)
Reclamation & Dev. Grants account	(564,400)	(587,300)
Orphan Share account	597,500	625,000
Resource Indemnity Trust	295,400	297,700
Renewable Resource G&L account	(232,700)	(238,200)

Net Impact to Fund Balance (Revenue minus Expenditure):

General Fund (01)	0	0
State Special Revenue (02)	0	0

LONG-RANGE IMPACTS:

Once the trust reaches \$100 million, three programs will receive RIGWA tax revenues: the Groundwater Assessment program, the Reclamation and Development Grants program, and the Orphan Share Account. The significant change once RIT trust reaches \$100 million is that 50% of the tax will be deposited to the Reclamation and Developments Grants account for grants. This will provide about \$1 million a year in additional grant funding. These funds must be used for mineral reclamation grants and will provide a source of revenue for state and local governments to address priority reclamation needs. Not only does SB 492 restrict the use of future tax deposits, it restricts the use of funds for the entire Reclamation and Development grants program to mineral reclamation and crucial state needs. SB 492 also sets aside \$800,000 for mine reclamation projects. These changes begin July 1, 1999.

TECHNICAL NOTES:

SB 49, SB 249, and SB 298 all affect the flow of funds to the RIT.

Fiscal Note Request, SB0492, as introduced

Page 3

(continued)